

## HEALTH CARE ADMINISTRATION

### MISSION STATEMENT

To develop and coordinate budgets, policies, and procedures for the county's health care departments in accordance with the strategic goals adopted by the Board of Supervisors, the County Charter, and general laws.

### DESCRIPTION OF MAJOR SERVICES

The role of the Health Care budget unit is to seek and support opportunities to foster collaboration among the Department of Public Health (DPH), Department of Behavioral Health (DBH), and the Arrowhead Regional Medical Center (ARMC). The department provides regular fiscal and policy analysis relating to the operations of these departments. Additionally, this department manages the \$64.8 million Health Care Administration budget unit, which includes funding for ARMC debt service, health related maintenance of effort costs, transfers required to obtain federal health care funding, and the Inland Counties Emergency Medical Agency.

Health care related transactions represented by this budget unit include the Disproportionate Share Hospital (DSH) Supplemental Payments, Realignment AB 8 match, and the county's contribution for ARMC debt service payments.

#### **California Medi-Cal Hospital/Uninsured Care Demonstration Project (SB 1100)**

Effective July 1, 2005, funding from SB 855 and SB 1255 for the Disproportionate Share Hospital Programs was replaced by SB 1100, California's Medi-Cal Hospital/Uninsured Care Demonstration Project. The prior SB 855 and SB 1255 programs provided supplemental payments to hospitals serving a disproportionate number of low-income individuals, as well as those licensed to provide emergency medical services and contract with the California Medical Assistance Commission (CMAC) to serve Medi-Cal patients under the Selective Provider Contracting Program.

The new funding system, SB 1100, was designed under a Medicaid (Medi-Cal in California) waiver to fund public and private safety-net hospitals providing care to Medi-Cal and uninsured patients. The hospital financing waiver under SB 1100 is comprised of three elements:

- Medi-Cal Fee for Service, which represents federal funds accounted for directly in the Arrowhead Regional Medical Center (ARMC) budget unit, for services provided to Medi-Cal patients;
- Safety Net Care Pool Funds, which provide a fixed amount of federal dollars, also accounted for directly in the ARMC budget unit, to cover uncompensated health care costs, and
- Disproportionate Share Hospital Funds, which continue to be reflected as a matching contribution to the state, and a return of that initial investment, within this budget unit.

#### **Realignment and General Fund Support**

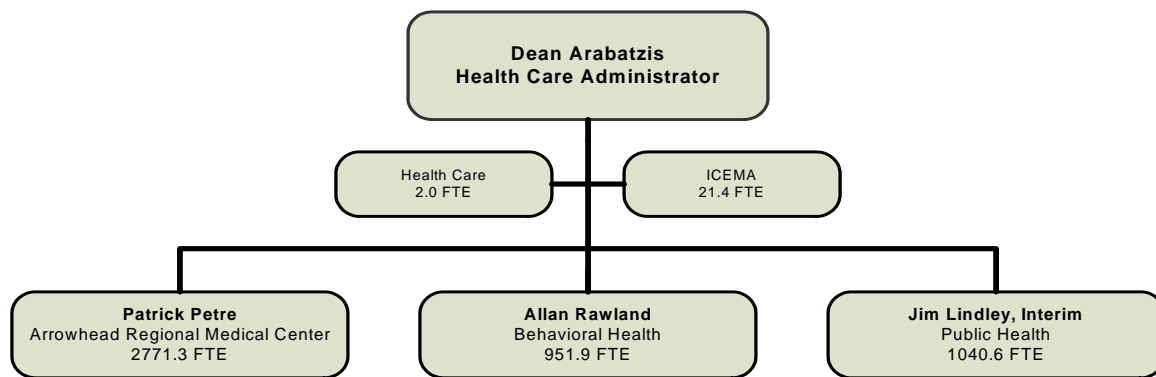
General fund support and realignment funds are used to pay for the ARMC debt service lease payments, Realignment AB 8 match and administrative costs related to this budget unit. To qualify for receipt of Health Realignment funding from the state, the county must contribute a "match" of local funds. The county's match for 2007-08 is \$4.3 million, which is based on a formula established through AB 8 in 1979. This amount has remained constant throughout the years.

Realignment funds support this budget as follows:

- Mental Health at 3.5% (which covers half of administrative costs).
- Health at 96.5% (which covers half of administrative costs plus debt service payments).

#### **Inland Counties Emergency Medical Agency**

ICEMA is responsible for ensuring effective emergency medical services for San Bernardino, Inyo and Mono Counties. Specifically, they are charged with the coordination, evaluation and monitoring of emergency medical services within public and private pre-hospital providers, specialty hospitals, paramedic base hospitals, as well as the effectiveness of Emergency Medical Services (EMS) educational programs and medical disaster preparedness.

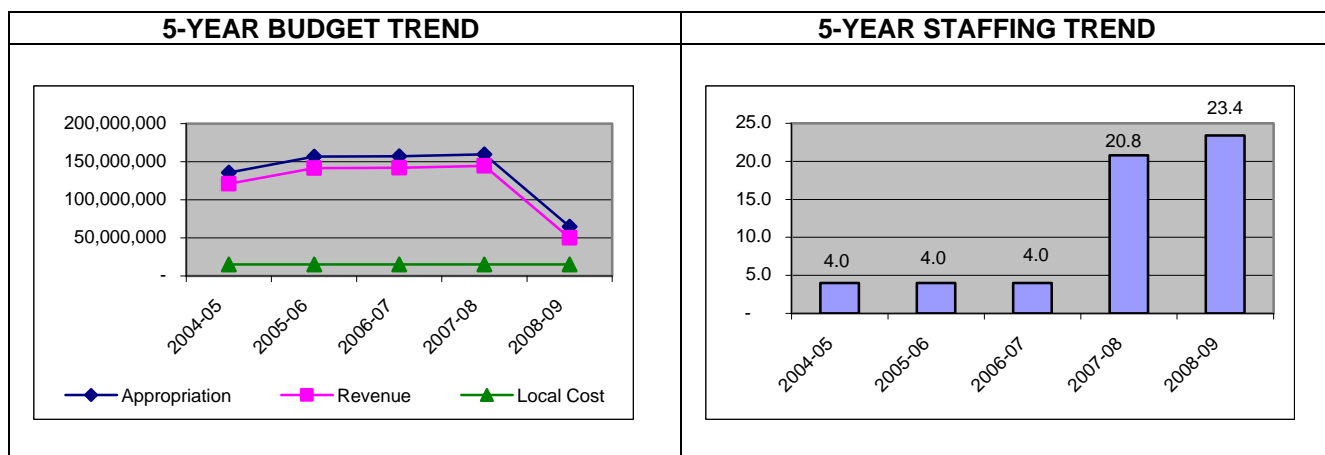


## SUMMARY OF BUDGET UNITS

2008-09					
	Appropriation	Revenue	Local Cost	Fund Balance	Revenue Over/ (Under) Exp      Staffing
<b>General Fund</b>					
Health Care Administration	64,839,387	49,839,387	15,000,000		23.4
Behavioral Health	225,564,895	223,572,684	1,992,211		951.9
Public Health	103,692,077	95,287,574	8,404,503		1,040.6
Total General Fund	394,096,359	368,699,645	25,396,714		2,015.9
<b>Special Revenue Funds</b>					
Ambulance Performance Based Fines	596,478	203,000		393,478	-
Pediatric Trauma	305,203	104,000		201,203	-
Hospital Preparedness	667,471	570,089		97,382	-
Master Settlement Agreement	31,993,683	18,600,000		13,393,683	-
Tobacco Tax	2,202,553	2,202,553		-	-
Archstone Foundation Grant	1,000	1,000		-	-
Mental Health Services Act	73,751,583	48,109,482		25,642,101	-
Driving Under the Influence Programs	316,556	139,554		177,002	-
Block Grant Carryover Program	4,646,192	406,995		4,239,197	-
Court Alcohol and Drug Program	1,114,501	401,861		712,640	-
Proposition 36	5,043,638	4,994,336		49,302	-
Bio-Terrorism Preparedness	3,373,829	2,781,164		592,665	-
Tobacco Use Reduction Now	484,423	392,696		91,727	-
Vital Statistics State Fees	586,505	159,820		426,685	-
Vector Control Assessments	3,264,902	1,601,666		1,663,236	-
Total Special Revenue Funds	128,348,517	80,668,216	-	47,680,301	-
<b>Enterprise Funds</b>					
Arrowhead Regional Medical Center	371,327,218	367,673,065			(3,654,153)      2,771.3
Medical Center Lease Payments	57,425,842	56,690,631			(735,211)      -
Total Enterprise Fund	428,753,060	424,363,696	-	-	(4,389,364)      2,771
<b>Total - All Funds</b>	<b>951,197,936</b>	<b>873,731,557</b>	<b>25,396,714</b>	<b>47,680,301</b>	<b>(4,389,364)      4,787.2</b>



## BUDGET HISTORY



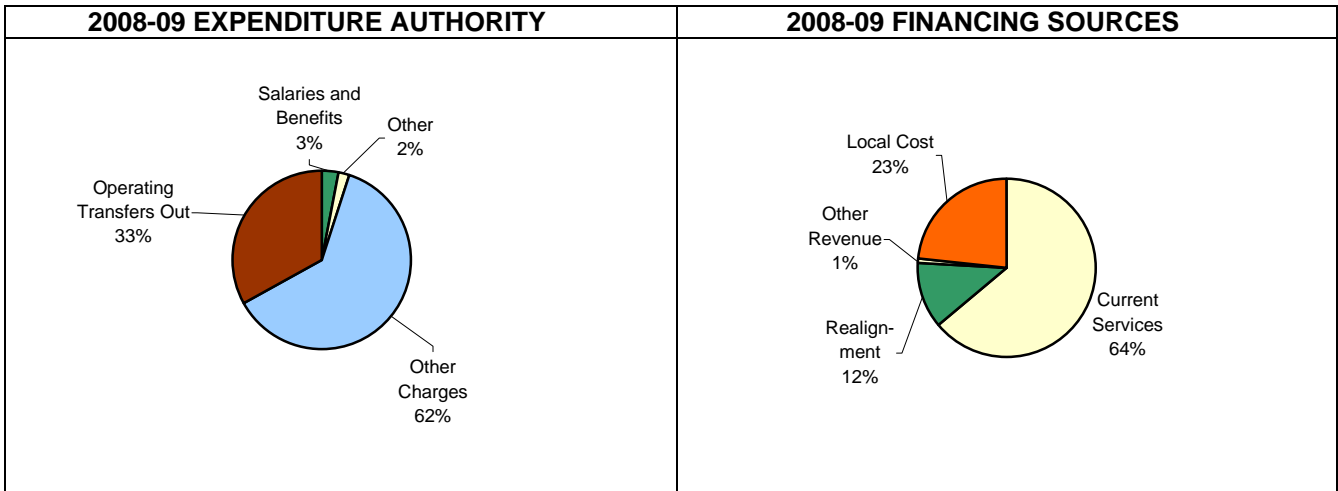
## PERFORMANCE HISTORY

	2004-05 Actual	2005-06 Actual	2006-07 Actual	2007-08 Modified Budget	2007-08 Estimate
Appropriation	150,200,966	53,624,875	61,720,187	159,507,612	52,349,921
Departmental Revenue	135,200,966	38,732,875	46,720,187	144,507,612	37,349,921
Local Cost	15,000,000	14,892,000	15,000,000	15,000,000	15,000,000
Budgeted Staffing				20.8	

In 2004-05, total appropriation and departmental revenue was greater than the most current two years of actual performance as a result of SB 855 and SB 1255, two programs that were established to provide supplemental Medi-Cal payments to hospitals that provide services to disproportionate numbers of Medi-Cal and other low-income patients. Through these programs, the county transferred a set match amount to the state, and in turn, received back this initial contribution, plus additional federal health dollars that were recorded in the Arrowhead Regional Medical Center budget unit. Effective July 1, 2005, SB 855 and SB 1255 was replaced by SB 1100, which fundamentally altered the way it paid hospitals for treating Medi-Cal patients. This system revised financing for Medicaid hospitals, limited the use of county general fund matching transfers to the state, and provided a fixed amount of federal dollars to cover uncompensated health care costs.

As a result of these changes, both the actual appropriation and departmental revenue, which in prior years had been recorded to document the matching transfers and corresponding receipts, decreased dramatically. It should be noted however that the county continues to budget additional appropriation and revenue as the total affect of these changes has not been determined, transfers to the state may still change, and the increased appropriation would be necessary to make any additional required payments to the State in a timely manner.

# ANALYSIS OF PROPOSED BUDGET



GROUP: Health Care  
DEPARTMENT: Health Care Administration  
FUND: General

BUDGET UNIT: AAA HCC  
FUNCTION: Health and Sanitation  
ACTIVITY: Hospital Care

	2004-05 Actual	2005-06 Actual	2006-07 Actual	2007-08 Estimate	2007-08 Final Budget	2008-09 Proposed Budget	Change From 2007-08 Final Budget
<b>Appropriation</b>							
Salaries and Benefits	121,092	489,206	550,109	1,542,886	1,813,683	2,018,191	204,508
Services and Supplies	30,265	92,390	133,826	630,499	718,293	380,283	(338,010)
Central Computer	710	2,673	4,604	10,681	23,071	18,970	(4,101)
Travel	-	-	-	-	-	58,820	58,820
Other Charges	124,642,905	24,759,402	31,577,091	24,250,000	130,753,730	40,250,000	(90,503,730)
Equipment	-	-	-	50,000	74,000	-	(74,000)
Transfers	81,104	807	170,650	754,531	811,898	737,349	(74,549)
Total Exp Authority	124,876,076	25,344,478	32,436,280	27,238,597	134,194,675	43,463,613	(90,731,062)
Reimbursements	-	-	-	(20,660)	(11,480)	-	11,480
Total Appropriation	124,876,076	25,344,478	32,436,280	27,217,937	134,183,195	43,463,613	(90,719,582)
Operating Transfers Out	25,324,890	28,280,397	29,283,907	25,131,984	25,324,417	21,375,774	(3,948,643)
Total Requirements	150,200,966	53,624,875	61,720,187	52,349,921	159,507,612	64,839,387	(94,668,225)
<b>Departmental Revenue</b>							
Licenses and Permits	-	-	-	152,030	138,955	171,808	32,853
Fines and Forfeitures	-	-	-	676,238	789,878	606,076	(183,802)
Realignment	10,558,061	14,223,473	6,913,310	11,014,226	11,887,441	7,667,942	(4,219,499)
State, Fed or Gov't Aid	-	-	-	599,585	400,500	254,125	(146,375)
Current Services	124,642,905	24,509,402	31,327,091	24,403,656	130,347,236	40,498,000	(89,849,236)
Other Revenue	-	-	-	9,280	5,000	9,280	4,280
Total Revenue	135,200,966	38,732,875	38,240,401	36,855,015	143,569,010	49,207,231	(94,361,779)
Operating Transfers In	-	-	8,479,786	494,906	938,602	632,156	(306,446)
Total Financing Sources	135,200,966	38,732,875	46,720,187	37,349,921	144,507,612	49,839,387	(94,668,225)
Local Cost	15,000,000	14,892,000	15,000,000	15,000,000	15,000,000	15,000,000	-
Budgeted Staffing					20.8	23.4	2.6

Salaries and benefits of \$2,018,191 fund 23.4 budgeted positions, and are increasing by \$204,508 primarily as a result of the addition of 2.0 budgeted positions for ICEMA and the budgeting of current staff at full FTE's for 2008-09.



Services and supplies of \$380,283 are decreasing by \$338,010. This decrease is primarily the result of one-time purchases of small equipment and procurement of training needs for ICEMA that occurred in 2007-08.

Travel is a new appropriation unit for 2008-09. The amount budgeted of \$58,820 reflects anticipated travel costs in the areas of private mileage, air travel, hotel, car rental and conference fees for this budget unit. These costs were based on departmental analysis of past travel related expenses previously budgeted in the services and supplies appropriation unit.

Other charges of \$40,250,000 are decreasing by \$90,503,730 primarily as a result of lower anticipated payments made to the state under SB1100.

Transfers of \$737,349 represent payments to other departments for employee relations, the Employee Health and Productivity program, and lease costs. The \$74,549 decrease results primarily from decreased payment for administrative and program support from the County Administrative Office, offset by a slight increase in lease costs.

Operating transfers out of \$21,375,774 fund \$4.3 of realignment local match, which must be transferred into trust, before Health Realignment monies can be directed toward the Public Health and Arrowhead Regional Medical Center budget units to fund health programs, and \$17.1 million of net debt service lease payment for Arrowhead Regional Medical Center. These transfers are funded by \$15.0 million of Tobacco Master Settlement Agreement monies and an additional \$2.1 million of realignment.

Licenses and permits of \$171,808 include revenue from ambulance licensure and Emergency Medical Technician certification.

Fines and forfeitures revenue of \$606,076 include fines collected by the Superior Court for criminal offenses, which are used to support ICEMA.

Realignment revenue of \$7,667,942 is decreasing by \$4,219,499 primarily as a result of decreases in net debt service lease payment for Arrowhead Regional Medical Center.

State aid revenue of \$254,125 represents funding from the Emergency Medical Services Authority (EMSA) to support maintenance of the three-county Joint Powers Agreement. The decrease of \$146,375 reflects transition of grant funding for the Regional Disaster Medical Health Specialist's Area VI to Riverside County for 2008-09, and discontinuance of state funding for the Disaster Medical Assistance Team.

Current services revenue of \$40,498,000 are decreasing by \$89,849,236 to reflect anticipated lower revenues associated with SB1100.

Operating transfers in of \$632,156 reflect transfers from the Hospital Preparedness and Performance Based Fines special revenue funds for expenditures related to ICEMA.

PERFORMANCE MEASURES				
Description of Performance Measure	2006-07 Actual	2007-08 Projected	2007-08 Estimated	2008-09 Projected
Number of Cardiac Care Hospitals in the Inland Counties Emergency Medical Agency jurisdiction.	N/A	N/A	N/A	4
Percentage of 911 transports reviewed to ensure that patients are being transported to designated CCH's in a timely manner.	N/A	N/A	N/A	40%

ADDITIONAL GENERAL FUND FINANCING REQUESTS						
Rank	Brief Description of Request	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost	Proposed 2008-09 Performance Measurement
1.	Medical Reserve Corps - Policy Item This request for ongoing funding is to provide support to the Medical Reserve Corps to assist in defraying the costs of a full-time individual to coordinate recruiting, credentialing, training, and maintaining the MRC database. Funding will also be used for restocking and updating of medical provision needed for emergency conditions.	-	75,000	-	75,000	
						Percentage increase of total active volunteers, total individuals completing an application to become a volunteer, and total individuals requesting an application over 2007-08 amounts (69 active volunteers; 78 applicants; 16 individuals requesting an application)
						5%
	<b>Total</b>	<u>-</u>	<u>75,000</u>	<u>-</u>	<u>75,000</u>	

